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Field Office

E-mail: nass-mn@nass.usda.gov
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Agri-View

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**ALL FARM
PRODUCTS INDEX
UP 2 POINTS**

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The November All Farm Products index for Minnesota was down 1 point from October.

The Crops index for November was down 1 point from October. Prices received by farmers for soybeans for November averaged \$5.65 per bushel, a decrease of 6 cents from the October price. Corn was unchanged from October to a November price of \$1.69 per bushel.

The Meat Animal index was down 5 points from last month. The all hog price for November was \$46.00 per cwt., a decrease of \$2.50 from the October price. The all beef cattle price for November was \$78.50, a decrease of 40 cents from the October price.

The Dairy Products index was down 5 points from last month. The all milk price for November, at \$15.40 per cwt., was down 50 cents from October.

AVERAGE PRICES RECEIVED BY FARMERS

Commodity And Unit	U.S. Nov 2005 1/	Nov 2004 2/	-----Minnesota----- Oct 2005 2/	Nov 2005 1/
Barley, Feed & Malting, bu 3/	2.49	2.31	3/	3/
Beans, Dry Edible, All, cwt	18.90	24.40	3/	3/
Kidney, cwt	4/	3/	3/	3/
Navy, cwt	4/	3/	3/	3/
Pinto, cwt	4/	3/	3/	3/
Corn, bu	1.79	2.03	1.69	1.69
Hay, All, Baled, ton	91.70	72.00	60.00	75.00
Alfalfa, Baled, ton	97.50	76.00	74.00	79.00
Other, Baled, ton	76.30	52.00	47.00	53.00
Oats, bu	1.46	1.26	1.38	1.39
Potatoes, cwt	6.09	5.70	6.55	6.30
Soybeans, bu	5.68	5.71	5.71	5.65
Sunflowers, All, cwt	11.50	15.80	17.80	3/
Wheat, All, bu	3.36	3.34	3.49	3.50
Calves, cwt	132.00	107.00	136.00	133.00
Cattle, All Beef, cwt 5/	91.60	73.90	78.90	78.50
Cows, cwt, 6/	45.80	51.00	49.00	49.00
Steers & Heifers, cwt	97.40	80.00	85.50	85.00
Milk Cows, head 7/	--	--	1,770.00	--
Hogs, All, cwt	44.70	56.10	48.50	46.00
Barrows & Gilts, cwt	45.00	56.20	48.50	46.00
Sows, cwt	37.70	47.10	41.80	38.00
Lambs, cwt 8/	--	92.20	101.00	--
Sheep, cwt 8/	--	35.00	43.00	--
Milk, All, cwt	15.10	16.70	15.90	15.40
Eggs, Table Market, doz	0.48	0.34	0.31	0.46

1/ Preliminary 2/ Entire month data 3/ Price not published to avoid disclosure of individual firms 4/ Price not set at the US level 5/ "cows" and "steers and heifers" combined. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Animals sold for dairy herd replacement only. Prices published in Jan., Apr., Jul., and Oct. 8/ Preliminary prices discontinued Jan. 1996.

MINNESOTA INDEX OF PRICES RECEIVED (1977=100)

Commodities	U.S.* Nov 2005 1/	Nov 2004 2/	-----Minnesota----- Oct 2005 2/	Nov 2005 1/
All Farm Products	113	140	134	133
Crops	104	113	104	103
Meat Animals	121	173	163	158
Dairy Products	116	180	180	175
Poultry & Eggs	127	101	136	151

1/ Preliminary. 2/ Entire month data.

* U.S. based on 1990-92=100 reference replaces 1977 = 100 beginning Jan. 1995.

U.S. INDEX SUMMARY (1990-92 = 100)

Item	Oct 2003	Nov 2003	Oct 2004	Nov 2004
Prices Received	114	115	111	113
Prices Paid (Interest, Taxes, Wage Rates)	136	135	144	143
Parity Ratio 1/	84	85	77	79

1/ Computed by dividing Prices Received Index by Prices Paid Index.

USDA, NASS
Minnesota Field Office
8 E. 4th St. Suite 500
St. Paul, MN 55101
Phone (651) 296-2230
in cooperation with the
Minnesota Department
of Agriculture

LAKE REGION HIRED WORKERS UNCHANGED FROM OCTOBER 2003

Lake Region: There were 72,000 hired workers on Lake Region (Minnesota, Michigan, Wisconsin) farms the week of October 9-15, 2005, unchanged from a year ago. Farm operators paid their hired workers an average wage rate of \$10.35 per hour during the October 2005 survey week, up by 58 cents from October 2004. Field workers received an average of \$9.96 per hour, a 90-cent increase from a year ago. Livestock workers earned \$9.49 per hour compared with \$9.51 a year earlier. The Field and Livestock Workers combined wage rate at \$9.80 per hour was up 60 cents from last year. The number of hours worked averaged 40.6 for hired workers during the survey week compared with 39.7 hours a year ago.

United States: There were 1,129,000 hired workers on the Nation's farms and ranches during the week of October 9-15, 2005, down 4 percent from a year ago. Of these hired workers, 840,000 were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 289,000 workers. Farm operators paid their hired workers an average wage of \$9.61 per hour during the October 2005 reference week, up 29 cents from last October. Field workers received an average of \$8.90 per hour, up 28 cents from last October, while livestock workers earned \$9.14 per hour compared with \$8.91 a year earlier. The Field and Livestock worker combined wage rate, at \$8.96 per hour, was up 27 cents from last year. The number of hours worked averaged 42.0 hours for hired workers during the survey week, up 4 percent from a year ago.

WORKERS ON FARMS, HOURS WORKED PER WEEK, AND WAGE RATES FOR ALL HIRED WORKERS, LAKE REGION AND UNITED STATES, OCTOBER 2005

	Lake Region 1/		United States 2/	
	October 10-16 2004	October 9-15 2005	October 10-16 2004	October 9-15 2005
Workers on Farms All Hired Workers	1,000 Workers			
	72	72	1,175	1,129
Hours Worked All Hired Workers	Hours Per Week			
	39.7	40.6	40.5	42.0
Workers By Work Type	Dollars Per Hour			
Field	9.06	9.96	8.62	8.90
Livestock	9.51	9.49	8.91	9.14
Field & Livestock	9.20	9.80	8.69	8.96
All Workers	9.77	10.35	9.32	9.61

1/ Lake Region = Minnesota, Michigan, and Wisconsin. Excludes agricultural service workers.

2/ Excludes Alaska.

December 1, 2005

How high can farmland values go?

By David Bau, University of Minnesota Extension Service

A website titled "Minnesota Land Economics" can be very helpful in determining land value trends across Minnesota. The website can be found at <http://www.cffm.umn.edu/landeconomics/landdata/LandValue>. It was compiled by Steve Taff, economist with the University of Minnesota Extension Service.

Following a simple five-step plan, you can create and analyze your own region of Minnesota in many ways. You can look at Farmland Sales, Timberland Sales, Land Values, Land Productivity, RIM Easements and Property Taxes. You can sort data in many ways: by year, total value, per acre value; and by city, township or county.

Through the website, you have access to annual estimated market values by county assessors for nearly every Minnesota city and township since 1993.

For 33 counties in southern Minnesota, farmland continues to increase at an average rate of 10 percent a year from 1998 to 2004, and 13.5 percent from 2003 to 2004. You can find your individual county information, the change from 2003 to 2004, and the average yearly change by going to the website.

So what is making land prices increase? Farm income, interest rates, return on other investments and 1031 exchanges are often mentioned as reasons for the increase. Farm profits were at record levels in 2004, and 2005 should be another good year. This would add local demand for the land from farmers. Interest rates are at historically low levels and land rental income is comparable or larger than what an investor can earn from treasury bills or a certificate of deposit at financial institutions.

The bond market has provided a good return on investment as the rates fell, but this year has experienced several interest rate increases. With interest rates slowly rising, the bond return will fall and possibly turn negative. The stock market has generated negative or low returns since 9-11, and many people have not returned to investing in the stock market.

The 1031 property exchange is for farmers or landowners who have land in an area of increased value due to location to city or development. Rather than pay taxes on a large gain from the sale of the land, they purchase similar property or other farmland at a more reasonable price. This has the effect of increasing prices even in non-metro locations.

The reason for the increase in farmland sales prices is a combination of these factors.

How high can farmland values go? Supply and demand will determine this. The simple return on investment, which is determined by rental rates, will determine how competitive farm land is compared to other investments and this will determine a value for farmland. If interest rates continue to rise or farm rental rates fall, the value of land will be affected in a negative way, causing a decrease in land values. But barring these factors, the price of farmland will continue to climb.

(David Bau is an agricultural business management educator with the University of Minnesota Extension Service Regional Center, Worthington)

OCTOBER EGG OUTPUT UP 7 PERCENT IN STATE

Minnesota layers produced 260 million eggs during October 2005 versus 244 million in October 2004, an increase of 7 percent. Laying flocks in the U.S. produced 7.7 billion eggs in October, up 1 percent from a year ago.

POULTRY STATS - OCTOBER

		2004	2005
Total Eggs Produced	MN	244 Mil.	260 Mil.
	U.S.	7,659 Mil.	7,703 Mil.
Number of Layers	MN	10.7 Mil.	11.2 Mil.
	U.S.	345.1 Mil.	344.0 Mil.
Eggs per 100 Layers	MN	2,265	2,313
	U.S.	2,220	2,239
CHICKENS:			
Hatched (October)			
Egg-Type	MN	0.8 Mil.	1.1 Mil.
	U.S.	34.9 Mil.	35.4 Mil.
Broiler-Type	U.S.	756.9 Mil.	776.3 Mil.
Eggs in Incubators (November 1)			
Egg-Type	WNC*	8.1 Mil.	7.3 Mil.
	U.S.	37.4 Mil.	33.1 Mil.
Broiler-Type	WNC*	20.0 Mil.	20.6 Mil.
	U.S.	607.8 Mil.	623.9 Mil.
TURKEYS:			
Placed (October)	WNC*	8.1 Mil.	8.7 Mil.
	U.S.	20.8 Mil.	21.4 Mil.
Eggs in Incubators (November 1)			
	WNC*	10.8 Mil.	10.7 Mil.
	U.S.	28.3 Mil.	27.1 Mil.

*West North Central Region (Iowa, Kansas, Missouri, Nebraska, North & South Dakota, Minnesota.)

NOVEMBER MILK OUTPUT UP 2 PERCENT IN MINNESOTA

Totaling 650 million pounds, the state's November milk production was up 2 percent from November 2004.

Output per cow was 1,445 pounds in November, up 55 pounds from last November. Milk cows for November averaged 450,000 head, the same as October, but 10,000 below a year ago.

November 2005 milk output in the 23 major states was 13.0 billion pounds, up 5 percent from November 2004. Milk cows in the 23 states averaged 8.16 million head, up 60,000 from the previous year. At 1,590 pounds, production per cow was 59 pounds greater than November 2004.

OCTOBER/NOVEMBER 2005 MILK STATS

State	Milk Production		Percent of Previous Year	
	Oct	Nov	Oct	Nov
	Million Lbs.		Percent	
California	3,151	3,053	102	103
Idaho	879	838	113	112
Minnesota	664	650	101	102
New York	1,008	962	105	105
Pennsylvania	865	834	105	104
Wisconsin	1,899	1,838	104	105
23 States	13,336	12,975	104	105

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Douglas Hartwig
Director

Dan Lofthus
Deputy Director